

Employment ending (termination/separation)

7/29/2014

General Information and Requirements

Applicable to:

- Employees and their covered dependents when the employee terminates employment.

Relevant rules:

- When an employee separates employment due to termination, the employee and his or her covered dependents are no longer eligible for employer-provided benefits. (see [WAC 182-12-131](#)((7)(b))
- The employer contribution towards Public Employees Benefits Board (PEBB) medical, dental, and basic life insurance will cease at midnight, the last day of the month in which employment ends.
 - Supplemental life insurance ends the earlier of (1) the last day of the month in which status of the employee is terminated, or (2) the last day of the month in which the employee is eligible for the employer contribution or employee premiums were withheld, whichever is later.
 - Basic LTD ends on the last day the employee is in pay status.
 - Optional LTD ends the last day of the month the employee is eligible and made a required contribution. ([WAC 182-12-131](#))
- COBRA gives the employee and his or her covered dependents the right to continue coverage by self-paying premiums to the Health Care Authority (HCA). ([WAC 182-12-131](#) and [WAC 182-12-146](#))
- Retiring employees may choose to elect PEBB-sponsored retiree coverage if eligible. ([WAC 182-12-171](#))

The PEBB Program will send the [Continuation of Coverage Election Notice](#) to the employee in the mail after the employee's coverage has been terminated. (This can take up to 14 days after insurance coverage has been terminated.)

Employees applying for COBRA must...	...no later than...	...or this will happen
Complete the COBRA Continuation or Extension of Coverage Election form	60 days after the postmark date on the Continuation of Coverage Election Notice	PEBB insurance coverage will end on the last day of the month in which the employee lost eligibility for the employer contribution.
Mail or hand-deliver the COBRA Continuation or Extension of Coverage Election form to the PEBB Program	60 days after the postmark date on the Continuation of Coverage Election Notice	Employee will lose right to continue coverage.
Make first payment for continuation of coverage	45 days after the date coverage is elected	Employee will lose right to continue coverage.

Additional Information:

Employees who have...	...may	...no later than
A spouse or state-registered domestic partner eligible for PEBB benefits as primary subscriber	Enroll under the spouse or state-registered domestic partner's medical and or dental coverage as a dependent	60 days after the date the employee lost eligibility for the employer contribution.
PEBB life insurance	Apply for Group Life Portability Coverage or convert coverage to an individual term policy (if covered for five years or more)	31 days after the date the employee lost eligibility for the employer contribution or, 60 days from the date the employee's employer coverage ended if retiring.
A spouse or state-registered domestic partner also covered by PEBB benefits	Transfer a portion of their optional life insurance to the spouse or domestic partner's PEBB coverage up to the eligible limits (see next page)	31 days after the date the employee lost eligibility for the employer contribution.
A Flexible Spending Account (FSA) through the PEBB Program	Apply for continuation of coverage through the FSA administrator to extend the period of coverage, so they may claim expenses incurred after employment ends	60 days after the date the employee lost eligibility for the employer contribution.
A spouse or Internal Revenue Code Section 152 qualified dependent eligible for PEBB benefits as a primary subscriber	Enroll in or change their election through the FSA administrator	60 days after the date the employee lost eligibility for the employer contribution.

Employees applying for PEBB retiree coverage must...	... no later than	... or this will happen
Complete the Retiree Coverage Election form to enroll or defer coverage	60 days after employer-paid or COBRA coverage ends	Employee will lose future right to enroll in PEBB retiree coverage unless he or she regains eligibility as an employee.
Mail, hand-deliver, or fax the Retiree Coverage Election form to the PEBB Program (deliver to the address provided on the form)	60 days after employer-paid or COBRA coverage ends	Employee will lose future right to enroll in PEBB retiree coverage unless he or she regains eligibility as an employee.
Make the first full payment to HCA for continuation of coverage (if not electing pension deduction from Department of Retirement Systems)	45 days after the date coverage is elected	Employee will lose future right to enroll in PEBB retiree coverage unless he or she regains eligibility as an employee.

Guidance Resources

- Employees retiring under plans administered by the Department of Retirement Systems must contact DRS about retirement eligibility. Information can be found at www.drs.wa.gov, or by calling 1-800-547-6657.
- The employee may contact the PEBB Program at 1-800-200-1004 to request a [Retiree Enrollment Guide](#) or view retirement details and enrollment forms on [Thinking About Retirement](#).
- [Continuation of Coverage Election Notice](#)
- [Flexible Spending Account Enrollment Guide](#)

Forms

- [COBRA Continuation or Extension of Coverage](#)
- [Employee Enrollment/Change](#) (if enrolling on spouse or state-registered domestic partner's PEBB coverage)
- [Declaration of Tax Status](#)
- [Life Insurance Enrollment/Change](#) (for life insurance transfer only)
- [Retiree Coverage Election Form](#) (if applying for retiree coverage)
- [Group Life Portability Application](#)

Premiums

- [Employee medical](#) (if enrolling as a dependent under spouse or state registered-domestic partner's coverage.)
- [Life insurance – employee premiums](#) (applicable after transferring coverage)
- [COBRA](#)
- [Retiree](#)
- Life Insurance – Retiree premium: \$6.57

WAC References

- [182-08-198](#) When may a subscriber change health plans?
- [182-12-131](#) How eligible employees maintain the employer contribution toward insurance coverage?
- [182-12-146](#) What options for continuation coverage are available under COBRA?
- [182-12-171](#) Retiree eligibility.
- [182-12-262](#) When can a subscriber enroll or remove eligible dependents?